

## APPENDIX

Revenue Act of 1936, c. 690, 49 Stat. 1648:

### SEC. 22. GROSS INCOME.

(a) *General Definition.*—"Gross income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service, of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever. \* \* \*

### SEC. 42. PERIOD IN WHICH ITEMS OF GROSS INCOME INCLUDED.

The amount of all items of gross income shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under methods of accounting permitted under section 41, any such amounts are to be properly accounted for as of a different period. \* \* \*

# SEC. 182. TAX OF PARTNERS.

There shall be included in computing the net income of each partner his distributive share, whether distributed or not, of the net income of the partnership for the taxable year.

# SEC. 1001. DEFINITIONS.

(a) When used in this Act—

\* \* \* \*

(3) The term "partnership" includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this Act, a trust or estate or a corporation; and the term "partner" includes a member in such a syndicate, group, pool, joint venture, or organization.

\* \* \* \*

Sections 22 (a), 42, and 1111 (a) (3) of the Revenue Act of 1932, c. 209, 47 Stat. 169, and Sections 22 (a), 42, and 801 (a) (3) of the Revenue Act of 1934, c. 277, 48 Stat. 680, are identical with the provisions of Sections 22 (a), 42, and 1001 (a) (3), respectively, of the Revenue Act of 1936 set out above. Section 182 of the Revenue Acts of 1932 and 1934 is substantially the same as Section 182 of the Revenue Act of 1936 set out above.

Treasury Regulations 94, promulgated under the Revenue Act of 1936:

ART. 42-2. *Income not reduced to possession.*—Income which is credited to the account of or set apart for a taxpayer and which may be drawn upon by him at any time is subject to tax for the year during which so credited or set apart, although not then actually reduced to possession. To constitute receipt in such a case the income

must be credited or set apart to the taxpayer without any substantial limitation or restriction as to the time or manner of payment or condition upon which payment is to be made, and must be made available to him so that it may be drawn at any time, and its receipt brought within his own control and disposition. A book entry, if made, should indicate an absolute transfer from one account to another. If a corporation contingently credits its employees with bonus stock, but the stock is not available to such employees until some future date, the mere crediting on the books of the corporation does not constitute receipt.

Article 332 of Treasury Regulations 77, promulgated under the Revenue Act of 1932, and Article 42-2 of Treasury Regulations 86, promulgated under the Revenue Act of 1934, are substantially the same as Article 42-2 set out above.